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C O N F I D E N T I A L BEIJING 010599

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E.O. 12958: DECL: 05/30/2016
TAGS: [PREL](#) [EAID](#) [IZ](#) [CH](#)
SUBJECT: PRC/IRAQ: BEIJING ON WELCOMING NEW IRAQI GOVERNMENT

REF: A. BEIJING 9758

[1](#)B. STATE 81632

Classified By: Political External Unit Chief Edgard Kagan. Reasons 1.4
(b/d)

[1](#)1. (C) MFA West Asia and North African Affairs Department Iraq Desk Officer Wu Xiaofeng requested a meeting May 26 to provide nonpaper laying out PRC actions to welcome the formation of the new Iraqi Government. Though the nonpaper largely tracks with PRC public statements, Wu stressed that Beijing was providing it directly to the USG in to follow up on earlier commitments (ref A). In response to a question, Wu said the item about debt reduction refers to all Iraqi debt held by the PRC, including what is owed to state-owned enterprises. He said that the Beijing wants to negotiate the exact details with the Iraqi Government. Referring to reports that China is tying forgiveness of state-owned enterprise debt to Baghdad agreeing to implement Saddam-era deals with Chinese firms, Wu commented that the PRC is prepared to be more generous in return for greater market access for Chinese firms.

[1](#)2. (SBU) Begin informal translation of the text of the PRC non-paper:

1) China has a positive attitude toward developing relations with the new Iraqi Government.

2) China has already publicly welcomed the establishment of the new Iraqi Government. President Hu Jintao, National People's Congress Standing Committee President Wu Bangguo, Premier Wen Jiabao and Foreign Minister Li Zhaoxing have all sent telegrams congratulating their new Iraqi counterparts.

3) China has a positive attitude towards the mutual exchange of high-level visits between Iraq and China. China has invited the new Iraqi Foreign Minister to attend the second ministerial meeting of the China-Arab Cooperation Forum and to sign a memorandum of understanding on political consultations between China and Iraq as the first step to improve cooperation. Unfortunately, the Iraqi Foreign Minister was unable to travel due to other concerns.

4) China has consistently supported Iraqi reconstruction. China will provide large-scale debt relief to Iraq. China has provided training for Iraqi officials in the fields of economic management, the petroleum industry, diplomacy and the electric power industry. China has also provided material assistance for Iraqi elections as well as inspection equipment for Iraqi Customs. China will continue to make all possible efforts to assist Iraq's reconstruction and to improve trade cooperation with Iraq.

End text of non-paper.

